

To: Rhode Island Renewable Energy Fund Advisory Board *(Draft)*
From: Nancy Selman
Date: December 16, 2004
Re: Meeting Minutes for December 14, 2004

Next meeting dates: Second Tuesday of every month. For 2005: 1/11, 2/8, 3/8, 4/12, 5/10, 6/14, 7/12, 8/9, 9/13, 10/11, 11/8, 12/13.

In attendance: See attached Attendance List.

- 1) Minutes and Update – Both were approved without changes.
- 2) NESEA –Building Energy Conference in March 2005. NESEA is requesting sponsorship of the Building Energy Conference. The Board voted to approve \$5000 in sponsorship for the Conference as well as \$3500 in scholarships to first-time attendees. This is the same level of support provided in the past 2 years (2003 and 2004).
- 3) Portsmouth Abbey Wind project – The Board voted to approve a grant request of \$450,000 for the installation of a 600 kW wind turbine, the total installed cost of which is anticipated to be approximately \$1.2 million. Some concern about the wind resource was expressed given that the wind monitoring equipment has just been installed recently. It was noted that given that the outreach process to the neighbors and town had not been begun, that there would be time to collect adequate data to correlate to the True Wind data for the site. It was noted that the size of the grant was appropriate in this case to provide an incentive for the project which would be the first utility scale wind turbine in the State.
- 4) Fund Consultants – Consulting assignments for Bob Grace, Sustainable Energy Advantage, Nancy Selman and Chris Warfel were renewed for 2005.
- 5) Roger Williams University - The Board voted to approve a \$2400 grant for student internships over the December 2004/January 2005 break. Professor Pavlides intends to place before the Fund a request for a grant to cover wind siting activities for one year. This larger request will be discussed at the January 2005 Board meeting. The Board asked that the documentation for the intended grant request show match funding from the University or any other source.
- 6) RECA/Large Customer Incentive Request – The discussion was introduced by a very thorough explanation by Bob Grace, consultant to the Fund, of Renewable Energy Credits. The powerpoint presentation is available for background by request. The Board approved an increase in the incentive for the RECA aggregation purchase of 18,195 Mwhr of RECs from \$7.50 to \$13.85 per Mwhr. The request was received for an increase from \$7.50 to up to \$15 per Mwhr. The RECs will be purchased from a wind project in New Hampshire which is under development. The increase in per-Mwhr incentive is viewed necessary because of an increase in project cost, mostly due to rising steel prices. The increase in incentive would result in a total amount annual cost to the Fund of \$252,000 for each of 5 years, as compared to a previous budgeted amount of \$140,000 annually. Part of the total budget (over the five years), \$125,000, will be taken from a previous Large Customer Program “set-aside” which had been allocated to the developer which is selling the RECs to the RECA members. The \$13.85 incentive results in a sharing of the price increase for RECs. The incentive will be terminated if the project is not online as of 12/31/05.

An additional action item arose from the discussion: to send a letter to MWEC protesting the claims being made by the utility regarding purchase of renewable energy from the Berkshire Wind Project arose from the discussion. The letter will state that MWEC is only purchasing the commodity portion of the output; the RECs are being sold to others, including the Fund/PP&L, and there for claims of renewable energy purchase by MWEC are viewed as false.

- 7) Strategic Plan Discussion – The Fund’s strategic direction is being reviewed due to the following reasons: the Guidelines for the operation of the Fund require a review every two years; there are new members to the Advisory Board and varying levels of experience with renewable energy issues but at the same time a need to establish a common ground for decision making; the marketplace is changing and evolving; and RPS (or RES) legislation was passed in 2004, which requires the Fund to support the RPS. Bob Grace made a presentation to the Board that discussed the various ways that the Fund could interact with the RPS. The presentation is available upon request. The presentation compared and contrasted the roles of the Fund and the RPS in advancing renewable energy. The RPS creates the a Renewable Energy Development Fund (REDF) which will be managed by the Economic Development Corporation (EDC) and which will receive funds from alternative compliance payments (ACP) for the RPS, to the extent that ACP are used by the load serving entities who must comply with the RPS requirements to provide a minimum of clean energy. The Board agreed that the Fund should:
- a) Adopt an advisory role to the PUC in writing the regulations which must be adopted by 12/2005 by the parties. It is anticipated that the State Energy Office will be named an intervener in this case.
 - b) REDF Collaboration – Determine if the SEO can be named to the Board of the REDF (the legislation states that one of the Board members will be a DOA director – which could be the SEO).
 - c) In reviewing and revising the Fund’s strategy, the alternative ways of interacting with the RPS include:
 - i) Examining how the Fund programs can complement the RPS, that is, working to impact parts of the market which the RPS does not directly affect (such as direct investment in RI technology companies in renewable energy); and
 - ii) Examining how to work to directly to ensure the success of RPS.
 - d) Immediate action items are:
 - i) Draft letter to the commission advising that the Fund will draft rules for the implementation of the RPS;
 - ii) The strategy subcommittee will meet again on January 6, 2005 at 9:30 at DEM for an intensive session on c) i and c) ii above.
 - iii) The Fund will invite the EDC to attend the Fund Board meetings and include the EDC on its official email list.

Decisions:

- 1) NESEA Building Energy Conference - The Board voted to approve \$5000 in sponsorship for the Conference as well as \$3500 in scholarships to first-time attendees.
- 2) Portsmouth Abbey - The Board voted to approve a grant request of \$450,000 for the installation of a 600 kW wind turbine.
- 3) Board renewed consulting contracts for Bob Grace, Nancy Selman and Chris Warfel for 2005.
- 4) The Board approved an increase in the incentive for the RECA aggregation purchase of 18,195 Mwhr of RECs from \$7.50 to \$13.85 per Mwhr. The total amount of incentive budget annually is \$252,000 for each of 5 years, as compared to a previous total budget of \$140,000 annually.
- 5) Roger Williams University - The Board voted to approve a \$2400 grant for student internships over the December 2004/January 2005 break.

Actions

- 1) Send letter to NESEA informing of Fund’s sponsorship of the Building Energy Conference.

- 2) Send letter to Portsmouth Abbey informing of the approval of the grant request of \$450,000 for the installation of a 600 kW wind turbine.
- 3) Send a letter to Roger Williams University informing of the approval of a \$2400 grant for student internships over the December 2004/January 2005 break.
- 4) Send letter to the RECA aggregation informing of approval of a the increase in incentive for a purchase of 18,195 Mwhr of RECs from \$7.50 to \$13.85 per Mwhr.
- 5) Send a letter to MVEC protesting the claims being made by the utility regarding purchase of renewable energy from the Berkshire Wind Project arose from the discussion.
- 6) Draft letter to the Commission advising that the Fund will draft rules for the implementation of the RPS;
- 7) The strategy subcommittee will meet again on January 6, 2005 at 9:30 at DEM for an intensive session on c) i and c) ii above.
- 8) Invite the EDC to attend the Fund Board meetings and include the EDC on its official email list.

Attendance:

Capobianco, Julie
Condon, Pat
Farley, John
Grace, Bob
Hartley, Doug
Hill, Michael
Jacobson, David
Keller, Janet
Lueker, Bill
McClanaghan, Janice
Michelman, Tom
Moskal, John
Pavlides, Lefteris
Rochon, Emily
Rose, Vin
Selman, Nancy
Stephens, Erich
Teichert, Kurt
Unterman, Ron
Ward, Harold
Warfel, Christopher
Zox, Alan